

Appl. No.: 09/586,881
Amendment date May 31, 2006
Reply to Office Action (Final Rejection) of January 9, 2006

II. Remarks

Reconsideration and allowance of the subject application is respectfully requested.

Claims 35-47 are pending in the application.
Claims 35 and 41 are independent.

Claims 41-45 were objected to as being anticipated under 35 U.S.C. 102(e) by US Patent 6,236,981 entitled "Transaction System", invented by Hill (hereinafter "Hill"), for the reasons detailed at pages 2-3 of the Office Action. Claims 35-37 and 46-47 were rejected as obvious under 35 U.S.C. 103(a) with respect to Hill in view of US Patent 5,949,875 entitled "Parallel Data Network Billing and Collection System", invented by Walker et al. (hereinafter "Walker"), for the reasons detailed at pages 3-5 of the Office Action. Claims 38-40 were rejected as being obvious, with respect to Hill in view of Walker and in view of Business Wire "Subscriber Computing Inc. Installs Real-Time Information System Suite for Douglas Telecommunications Inc", November 19, 1997. (hereinafter "Subscriber") for the reasons detailed at page 6 of the

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Office Action. Applicant respectfully traverses all art rejections.

Applicant has previously discussed the differences between the cited Hill prior art and Applicant's claimed invention. For clarity, Hill discloses a transaction system whereby the user submits tokens to the merchant or "Third Party Service Provider" (Col 6, Line 26). The merchant then submits the received tokens, in addition with authentication tokens held by the merchant, to the payment service (which is, for the purposes of this discussion, assumed to be equivalent to the second party claimed by Applicant). The payment service, after authentication, returns the next authorization token to the merchant for use in completing the next transaction between the merchant and the payment service. There is no communication between the user and the payment service for handling tokens disclosed in Hill.

In summary, the Hill transaction sequence is thus: user sends token to merchant; merchant sends two tokens (user token + authentication token) to payment

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service; payment service sends token (new authentication token) to merchant. Applicant's claimed sequence is thus: user sends cancelled token report to second party (payment service), second party authenticates cancelled tokens based on report. There is no communication with the third party (merchant) providing the service paid for by the tokens.

See also Hill at Col 6, Lines 51-52: "The messages exchanged by the user, the merchant and the payment server are all short ...". In Applicant's claimed invention, there are no messages exchanged with or by the merchant. In particular, in Applicant's claimed invention, the tokens are cancelled by the user. No tokens or authentication tokens are issued to the merchant. Hill is a method for a payment issuer to validate tokens received from a merchant.

With respect to claims 35-37 and 46-46, it is respectfully submitted that the combination of Hill and Walker is not obvious and does not lead to Applicant's claimed invention. Hill is a generic token system for third party merchants as described above. Walker is a

access system for users, with a token-based embodiment described in Figure 13. As discussed above, Hill discloses a token transaction mechanism between a third party merchant and a payment issuer (token supplier), without input from the user after the initial payment with tokens. Walker uses a "toll-booth" system requiring user input of a valid access code (which may be a token) to access information. However, Walker also requires communication between the access code provider and the third party information source. See in particular, Walker at Column 9, lines 34-36 "Like a department store checking the validity of a credit card by contacting a central clearinghouse ...". Applicant's claimed invention does not require any third party communication and is designed to overcome limitations inherent in third-party systems such as Hill, Walker and the conventional credit card system used as a comparison model in Walker.

As claims 38-40 depend from claim 35, Applicant respectfully submits that the issue of these claims being rendered obvious by a combination of Hill, Walker and Subscriber is moot as a consequence of the above

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submissions. Applicant reserves the right to submit argument with respect to this issue and the Subscriber prior art in the event such argument is necessary in the future.

As all of the claims depend from either claim 35 or 41, it is respectfully submitted that none of the claims are neither anticipated by Hill, nor rendered obvious by a combination of Hill and Walker (or Hill and Walker and Subscriber).

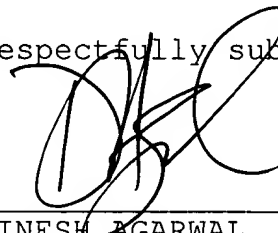
In view of the above amendments and remarks, it is believed that this application is now in condition for allowance, and a Notice thereof is respectfully requested.

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It is believed that no additional fee is due for this submission. However, should that determination be incorrect, the Commissioner is hereby authorized to charge any deficiencies, or credit any overpayment, to our Deposit Account No. 01-0433, and notify the undersigned in due course.

Applicants' undersigned attorney may be reached at 703.642.9400. All correspondence should continue to be directed to our address given below.

Respectfully submitted,



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